



March 2004

Missouri Producer

Missouri Farm Service Agency

Parkade Center, Suite 225
601 Business Loop 70 W
Columbia, MO 65203

Hours

Monday - Friday
8:00 a.m. - 4:30 p.m.

State Committee

Don Fischer, Chairman
Fred Ferrell
Julie Hurst
Craig Westfall
Barbara Wilson

Staff

Patty Dick, Administration
Dan Gieseke, Farm Loans
Bo Wendleton, Compliance
Gerald Hrdina, Conservation
Maurine Long, Price Support
Max Sell, Production Flexibility

New Ewe Lamb Program

USDA has announced an \$18 million program to enhance the competitiveness of the domestic lamb and sheep industry and re-establish producers' purchasing power. The Ewe Lamb Replacement and Retention Program will pay producers \$18 per head for ewe lambs purchased or retained between Aug. 1, 2003, and July 31, 2004.

Because funding for the program is limited to \$18 million, the \$18 payment rate is subject to available funding.

To qualify for the program, producers must retain qualifying ewe lambs for at least one complete offspring lambing cycle.

Adequate record keeping is a must. Producers should keep records such as sale receipts as proof of purchase and retention, veterinarian certifications as proof of ewe lamb characteristics and scrapie program forms.

Documentation must disclose the dates of lamb purchase, birth and death, if applicable; lamb identification and control information; the number of ewe lambs purchased; and identification with Animal and Plant Health Inspection Service (APHIS) approved scrapie program.

Producers, Landowners!

- Do you intend to clear timber areas to create or to expand existing crop areas?
- Are you converting a pasture field into a crop field?
- Are there any areas on your farm(s), which you are considering cropping, that have not been cropped in recent years?
- Is there a wet spot in a field which you want drain to make cropping easier?
- Are you disturbing a wildlife habitat area of any type?
- Are you doing anything different on your farm(s) this year?

These are Highly Erodible and Wetland provision questions, which need to be considered each year by producers to assure that they may remain eligible for USDA benefits. If you have any question or concern that something you plan to do on your farm could jeopardize your eligibility for benefits, please contact your NRCS representative before you begin work.

Conservation Compliance

Highly erodible land (HEL) compliance is still required to earn program benefits. This includes payments under the Direct and Counter-Cyclical Program,

Dates to Remember	
Today	Report changes to farming operation.
Mar. 15	NAP application closing for spring seeded crops (e.g., vegetables, oats)
	Spring sales closing date for crop insurance
Mar. 31	Deadline to apply for honey loans, LDP
	Graze Out application deadline
	Deadline to apply for loans, LDPs for small grains
April 1	Status date for payment limitation determinations
May 31	Deadline to apply for loans, LDPs for feed grains, soybeans, cotton, rice, sunflowers
June 1	DCP signature deadline
June 30	Final reporting date for small grains
July 31	Final reporting date for all other crops

Conservation Reserve Program, loan deficiency payments, farm loan program, crop insurance and many other USDA program. Farms with HEL soils need to be aware of tillage, crop residue, and rotation requirements spelled out in conservation plans. If you have any questions about the specifics of your conservation plan, stop by the Natural Resources Conservation Service office. Take the time now to make sure your farm is in compliance! Don't wait until the plow hits the ground!

Methods of Dividing Base

A farm, as defined by the Farm Service Agency, is made up of tracts of land that have the same owner and operator. When a change occurs in the ownership or operation of a farm, a farm reconstitution is called for, and the county FSA office staff must be promptly notified.

Dividing a farm into two or more resulting farms because of a change in ownership or operation is called a farm division, and there are three methods for dividing a farm's crop acreage base:

- Estate;
- Designation by Landowner; and
- Default (applicable to base acres for farm divisions only).

The estate method is the highest priority method. In this method, the farm's acreage base is divided according to the direction in a will. This method also may be used if all heirs sign a written agreement designating the division of base on the parent farm.

The designation by landowner method is the division of acreage base in the manner agreed to by the parent farm owner and the purchaser or transferee. This method is used when part or all of a farm or a tract is sold.

To use this method, the land that is sold must have been owned for at least three years, and the owner of the parent farm and the purchaser must file a signed memorandum of understand (MOU) designating bases. The MOU must be filed before the farm is reconstituted or there is any subsequent transfer of ownership. Owners who are thinking about selling any land are advised to obtain a written agreement on the division of base at the point of sale of the land.

When using the designation by landowner method, all sellers and buyers must sign an MOU or the FSA-155, Request for Farm Reconstitution, agreeing to the division of base.

The default method of dividing base acreage is used when the higher priority methods of estate and designation by landowner are not applicable. Using this method of division, each resulting farm receives the base that is allocated to the tracts of land associated with each farm.

To be effective for the current fiscal year, the farm division must be requested by Aug. 1 of the fiscal year for farms subject to the Direct and Counter-Cyclical Program.

Selected Interest Rates for March 2004	
90-Day Treasury Bill	0.875%
Farm Operating - Direct	3.750%
Farm Ownership - Direct	5.625%
Limited Resource	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.000%
Emergency	3.750%
Farm Storage Facility	3.625%
Sugar Storage Facility	4.625%
Commodity Loans 1996- Present	2.250%

A request for a farm division after current fiscal year DCP payments have been made will be processed in the following fiscal year. However, if the producer requests that the reconstitution not be processed in the following fiscal year, all payments shall be refunded. After the payment is refunded, the reconstitution may be processed.

For more information about farm reconstitutions, contact the county office staff.

IRS Reporting

Farm Service Agency will not report market gains earned from Commodity Certificate exchanges for loan collateral to the Internal Revenue Service (IRS) on the CCC-1099 or CCC-1099-G.

Any market gain you earned is considered income and it is your responsibility to report this income to the IRS.

2004 DCP Sign Up Reminder

The additional daylight hours we are witnessing heralds the coming of spring and the advent of increased outdoor activities. Preseason planning is a good way to avoid being overwhelmed by spring work and insure that important deadlines aren't forgotten. June 1 is the deadline for farmers to enroll in the Direct and Counter-Cyclical Program (DCP) for 2004. The current Farm Bill provides payments to eligible participants for covered commodities if producers should choose to enroll in the DCP program. Participating in the Direct and Counter-Cyclical Program requires producers to apply annually. Therefore, calling the county office staff for an appointment before the hustle and bustle of spring begins is a good way to prepare for the coming crop year.

The DCP has both direct payment and counter-cyclical payment components. While strong market prices for commodities may eliminate the counter-cyclical payments, the direct payments are fixed. Producers wanting to receive the direct DCP payments authorized for 2004 must signup at the county office before the June 1 deadline. Some growers may have already signed up last fall when this year's signup began on Oct. 1. For those who have not yet enrolled in this year's program, there is still time to make an appointment before spring planting season complicates everyone's schedule.

NAP Deadline Approaching

The Non-Insured Crop Disaster Assistance Program (NAP) deadline is fast approaching. NAP is designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic or "CAT" insurance.

March 15, 2004, is the final date for producers to apply for NAP coverage on spring-seeded annual crops.

Producers who already have coverage on 2003 NAP crops may choose to continue coverage on the same crops for 2004, if the applicable service fee is submitted by the application closing date. A new form CCC-471, Application for Coverage, is not required to be signed when applying for continuous coverage of the same crop or crops.

Producers who choose to add or delete a crop from the previous year's coverage or changing crop shares must file a new CCC-471, with signatures, and pay the applicable service fee.

Producers with NAP coverage are required to 1) file a Notice of Loss within 15 days of when a loss is apparent (such as from drought, hail, etc.), 2) timely file acreage reports and 3) keep track of harvested production using acceptable methods.

Producers who participated in the 2001/2002 Crop Disaster Program (CDP) need to be aware of the NAP "linkage" requirements. If CDP benefits were received on a crop that was not covered by either a crop insurance or NAP policy in the disaster year, coverage must be purchased in the two subsequent years or CDP payments will have to be refunded with interest. Check with the county office staff for details.

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD).